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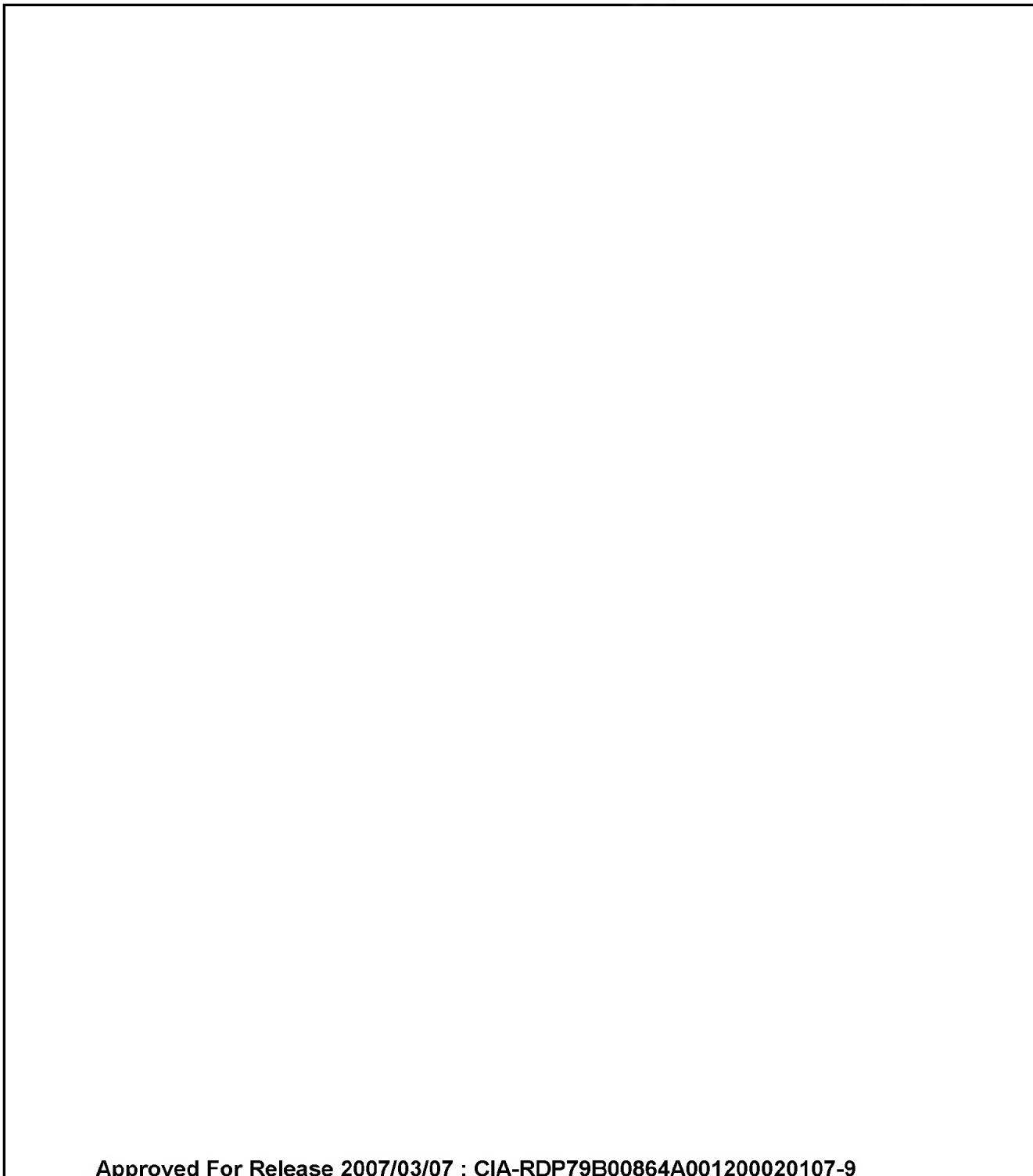
State Dept. review completed

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EASTERN EUROPEAN INTELLIGENCER

OCI #0931/72

12 July 1972



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Polish Foreign Minister Visits Bucharest

Foreign Minister Olszowski's first official visit to Bucharest on 10-11 July received unusually good coverage in both Polish and Romanian news media. In addition, Ceausescu met with Olszowski yesterday. The principal topic of their talk apparently was the European security conference--a subject on which the two sides found themselves in close agreement.

Given the good atmospherics, it appears likely that details for Polish party chief Gierek's long-rumored visit to Bucharest may have been ironed out. Gierek has not visited Romania since he took over from Gomulka in December 1970. Although Ceausescu has not made an official visit to Poland with Gierek as his host, he did attend the Polish party congress last December.

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Poles Prepare for Rural Reorganization

The government has announced that beginning next January it will implement a broad administrative reorganization of the rural areas. The reform will basically involve the merger and expansion of geographic and administrative authority of the lowest commune level of Peoples' Councils as the major organs responsible for economic and social planning and public works. By expanding the local councils' size and authority, the regime hopes to increase their efficiency, particularly in agricultural production. The regime estimates that the 4313 Councils now running rural communities will be reduced to about 2500. The plans call for higher revenues to be made

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available to the new Councils as well as the better use of competent administrators, economists, and planners. The new Councils theoretically will be more autonomous from the district and provincial (voivodship) Councils, and are intended to solve local problems with local resources.

The reorganization is billed as one of the largest administrative reforms to be implemented since World War II and will affect about half of Poland's population of 33 million. The final plans, to be debated at the next central committee plenum, will be another major chapter in Warsaw's effort during the past decade to modernize agricultural production and to decentralize local administration. Earlier efforts have been hampered by a lack of competent administrators and jurisdictional jealousies of party organizations, trade unions and the like.

By shifting authority and responsibility for local problems to the lowest level of local government, Gierek is seeking to fulfill his promise of giving the people a greater sense of participation in government. At the same time, he evidently has no intention of losing party control. The local party organizations, who have been told that they have an important role to play in helping to implement the local government reorganization, are at the same time being brought under tighter central party control. Gierek has recently called special sessions of party committees in the Northern and Western provinces to deal with the party control and has sent out special inspection teams to report on provincial party organization.

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#### Yugoslav Premier Addresses CEMA

Tass reports the attendance of Premier Bijedic at the current CEMA session in Moscow [redacted] in such a way that the casual reader would presume Yugoslavia is a full member of the organization--not an observer, according to the Embassy Moscow. The implication, of course, is that Belgrade is drawing closer to the Soviet bloc at the expense of its ties to nonalignment and to the west.

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Lest there be any doubt, however, Bijedic in addressing yesterday's session made his government's position clear.

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Yugoslavia's improved relations with CEMA are just one part of a broader policy which reflects Belgrade's interest in improved economic relations with all countries based on the principles of "respect for national sovereignty, equality and noninterference in the internal affairs of other countries, and respect for differences in economic and political systems."

Bijedic specifically cited closer ties in the production of ball-bearings, the chemical industry and in the international banks of CEMA as areas of Yugoslav interest. Belgrade also is reportedly interested in sending a delegation to the newly-formed cooperation committee for planning.

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NOTE: THE VIEWS EXPRESSED ABOVE REPRESENT  
ONLY THE ANALYSIS OF THE EE BRANCH

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